

**ECONOMIC DEVELOPMENT AGENCY
SUMMARY**

<u>GENERAL FUND</u>	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Local Cost</u>
ECONOMIC DEVELOPMENT SUMMARY	232			
ECONOMIC DEVELOPMENT	234	7,866,652	604,000	7,262,652
TOTAL GENERAL FUND		<u>7,866,652</u>	<u>604,000</u>	<u>7,262,652</u>
<u>SPECIAL REVENUE FUNDS</u>		<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Fund Balance</u>
COMMUNITY DEVELOPMENT AND HOUSING	239	49,461,751	35,761,315	13,700,436
WORKFORCE DEVELOPMENT	244	13,774,477	13,984,208	(209,731)
SAN BERNARDINO VALLEY ENTERPRISE ZONE	249	391,412	391,412	-
TOTAL SPECIAL REVENUE FUNDS		<u>63,627,640</u>	<u>50,136,935</u>	<u>13,490,705</u>



ECONOMIC DEVELOPMENT AGENCY

Brian P. McGowan

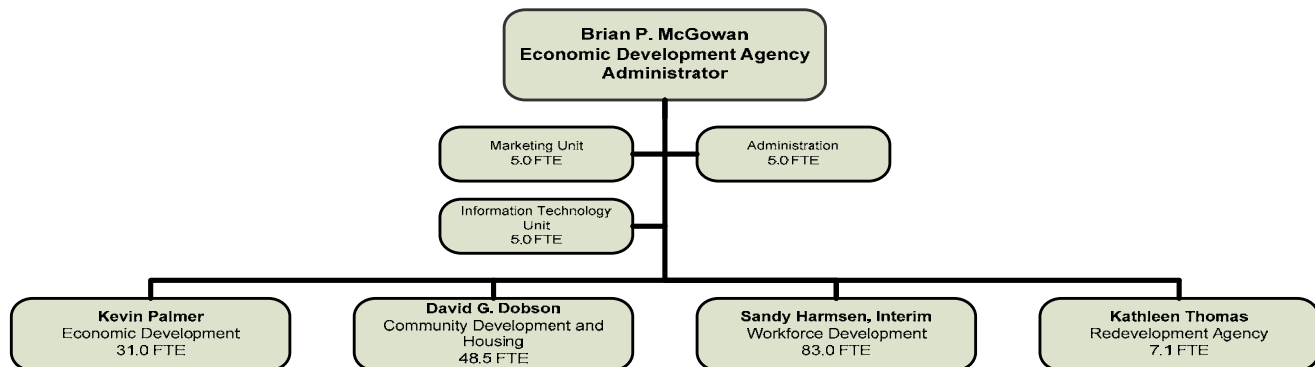
MISSION STATEMENT

The County of San Bernardino Economic Development Agency oversees the operation of the departments of Economic Development, Community Development and Housing, Workforce Development and the Redevelopment Agency. The overall mission of the agency is to facilitate economic growth within the county in order to enhance the quality of life for all residents. Each of these departments facilitates that mission through programs that enhance workforce skills, infrastructure, business development and attraction, housing opportunities and community development projects.

STRATEGIC GOALS

1. Implement a comprehensive marketing strategy which includes an expanded component for each department to promote the quality of life for San Bernardino County residents.
2. Implement an agency wide information technology (IT) infrastructure to support agency/departmental IT initiatives that will assist in the promotion of programs for San Bernardino County residents.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2007-08				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Economic Development	7,866,652	604,000	7,262,652		48.0
Total General Fund	7,866,652	604,000	7,262,652		48.0
Special Revenue Funds					
Community Development and Housing	49,461,751	35,761,315		13,700,436	49.5
Workforce Development	13,774,477	13,984,208		(209,731)	84.0
San Bernardino Valley Enterprise Zone	391,412	391,412		-	-
Total Special Revenue Funds	63,627,640	50,136,935		13,490,705	133.5
Other Agencies					
Economic and Community Development Corp	18,918	12,700		6,218	-
County Industrial Development Authority	50,196	1,000		49,196	-
Redevelopment					
Speedway Project Area	65,759,453	14,027,786		51,731,667	8.1
Cedar Glen Project Area	9,878,195	403,250		9,474,945	-
VVEDA Project Area	1,056,238	155,550		900,688	-
Mission Boulevard Joint Project Area	129,016	22,570		106,446	-
Proposed Bloomington Project Area	183,032	-		183,032	-
Proposed Cajon Project Area	261,830	-		261,830	-
Total Other Agencies	77,336,878	14,622,856		62,714,022	8.1
Total - All Funds	148,831,170	65,363,791	7,262,652	76,204,727	189.6

Note: Other Agencies is reported in a separate document.

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history, and applicable performance measures.



The Economic Development Agency provides overall administrative support and policy implementation to the departments of Economic Development, Community Development and Housing, Workforce Development and the Redevelopment Agency. This includes the facilitation of communication between the County Administrative Office as well as the Board of Supervisors. In addition, the agency oversees the information technology function, public relations, and marketing support.

Through the combination of four departments with common goals and objectives, the agency provides leadership and direction to all 24 cities and private economic development organizations within the county.

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.

NOTE: The “Other Agencies” budgets are reported in a separate document. The budget for the Economic Development Agency is incorporated within the Department of Economic Development’s budget. The information regarding the Economic Development Agency’s approved policy item and performance measures are also found within the Department of Economic Development’s budget.



ECONOMIC DEVELOPMENT

Kevin Palmer

MISSION STATEMENT

The Department of Economic Development facilitates overall economic growth and job creation/retention through leadership, public/private collaborations, the provision of services to cities, attraction of new investment and the retention/expansion of existing businesses.

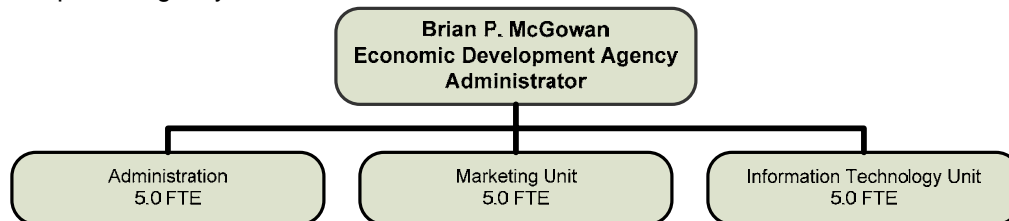
STRATEGIC GOALS

1. Business Retention/Attraction – To enhance the quality of life of the residents of the County of San Bernardino, the department will seek to retain and attract businesses by branding the county as an ethnically, culturally, socially and economically diverse region that provides competitive advantages with top level customer service.
2. Establish an image of the county as a global and diverse business center in the United States by continuing to develop overseas connections, infrastructure and understanding of global markets.
3. Enhance the County of San Bernardino's position to film and visit through the management and branding of the county's unique locations.

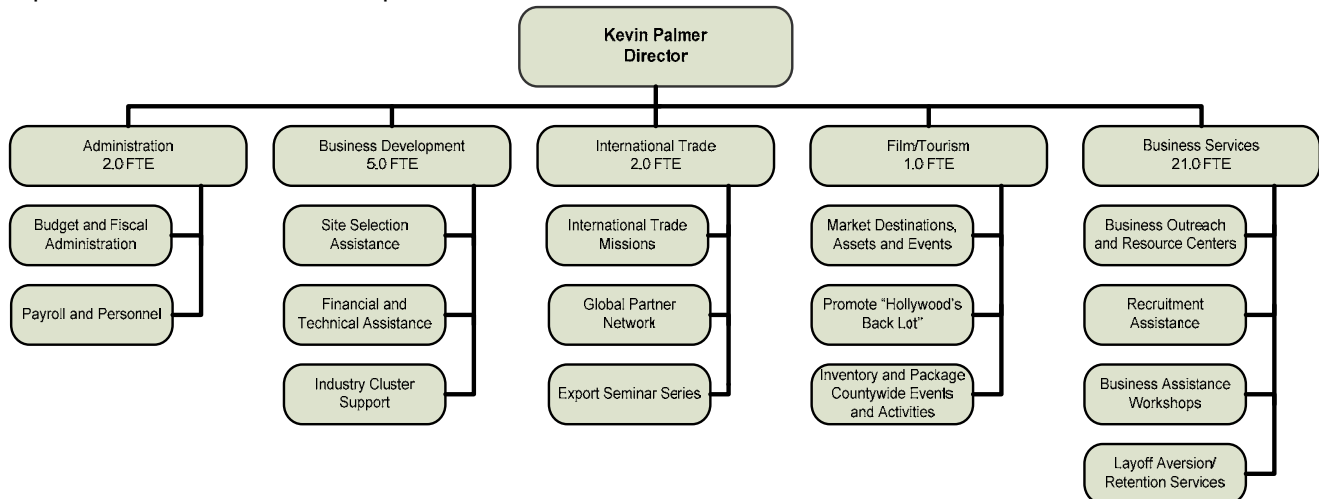
ORGANIZATIONAL CHART

This budget unit includes staffing for both the Economic Development Agency (16.0 FTE) and the Department of Economic Development (32.0 FTE). Below are the organizational charts for each entity.

Economic Development Agency:



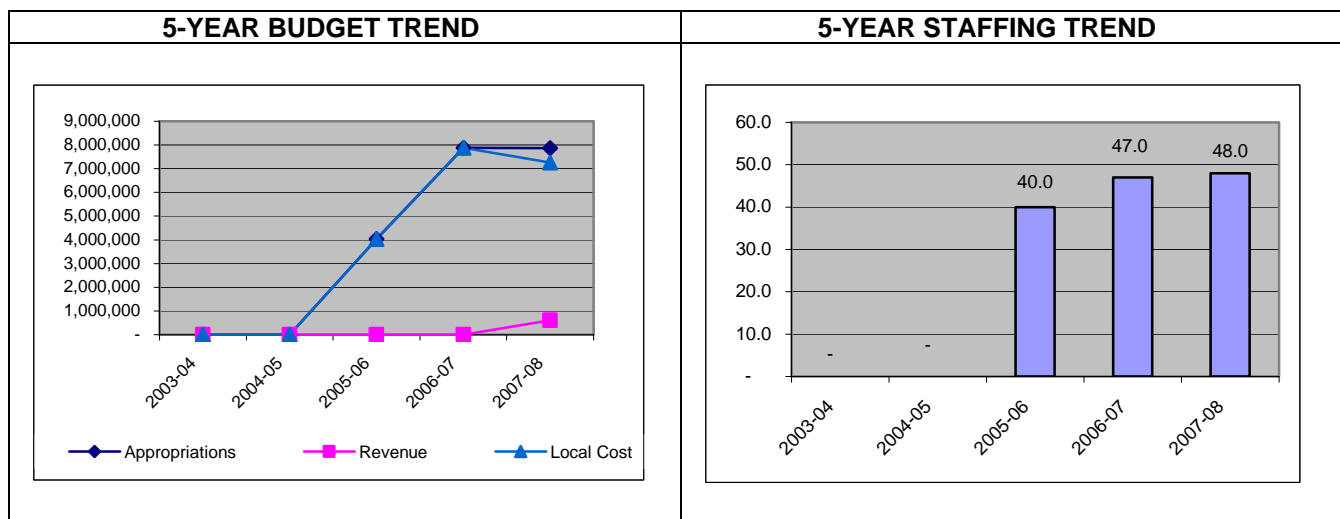
Department of Economic Development::



DESCRIPTION OF MAJOR SERVICES

The Department of Economic Development's major goals are to develop and implement a countywide economic development strategy that will maximize the standards of living of the county's residents, provide economic opportunities for the county's businesses, foster a competitive environment and position the county as a highly competitive region for business opportunities. The County of San Bernardino consistently spearheads initiatives for local, national and international impact for a competitive advantage by developing collaborations between the county and cities where the strategic partnerships offer critical services to clients regardless of geographical boundaries. We also spearhead support structures conducive for a creative business climate by creating a macro forum for networking ideas and programs via cluster development and high-valued industry sectors. Our focus is to have the County of San Bernardino viewed as the primary resource for all shareholders with unbeatable customer service by providing guidance and future economic development training for San Bernardino County cities and by fostering a respectful, open, cooperative environment with governmental departments and non-governmental entities.

BUDGET HISTORY



The Department of Economic Development was created as a result of the Board of Supervisor's approved formation of the Economic Development Agency on May 3, 2005 (Item #90). As part of the 2006-07 Final Budget, the Board of Supervisors approved the carry over of unexpended 2005-06 one-time funding totaling \$1,118,500. In addition, the Board of Supervisors approved approximately \$4.1 million in additional funding (\$2 million one-time funding and \$2.1 million ongoing funding) in order to support an enhanced economic development program.

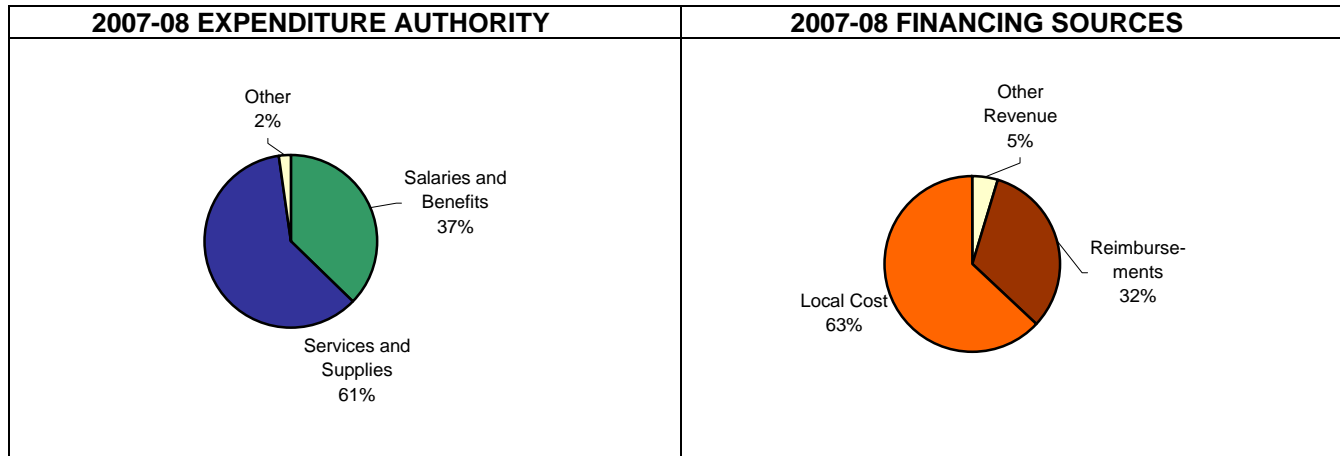
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	-	-	3,112,150	8,231,668	7,084,529
Departmental Revenue	-	-	43,634	349,000	357,883
Local Cost	-	-	3,068,516	7,882,668	6,726,646
Budgeted Staffing				47.0	

The department did not expend approximately \$1.15 million of local cost in 2006-07. Approximately \$725,000 of unspent appropriation is related to economic development community projects approved as policy items. This expenditure has been reallocated to the department in 2007-08 to finish these projects. Approximately \$425,000 of remaining unspent appropriation represents salary savings related to delays in hiring positions.



ANALYSIS OF FINAL BUDGET



GROUP: Economic Development
DEPARTMENT: Economic Development
FUND: General

BUDGET UNIT: AAA EDF
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	-	-	2,172,363	3,107,617	3,861,935	4,316,484	454,549
Services and Supplies	-	-	2,267,354	6,018,225	5,654,694	6,964,637	1,309,943
Central Computer	-	-	2,342	24,961	24,961	46,981	22,020
Equipment	-	-	39,110	107,737	-	-	-
Transfers	-	-	143,961	226,483	177,581	257,317	79,736
Total Exp Authority	-	-	4,625,130	9,485,023	9,719,171	11,585,419	1,866,248
Reimbursements	-	-	(1,542,435)	(2,400,494)	(1,834,503)	(3,718,767)	(1,884,264)
Total Appropriation	-	-	3,082,695	7,084,529	7,884,668	7,866,652	(18,016)
Operating Transfers Out	-	-	29,455	-	-	-	-
Total Requirements	-	-	3,112,150	7,084,529	7,884,668	7,866,652	(18,016)
Departmental Revenue							
Current Services	-	-	-	49,549	-	50,000	50,000
Other Revenue	-	-	43,634	11,334	2,000	4,000	2,000
Total Revenue	-	-	43,634	60,883	2,000	54,000	52,000
Operating Transfers In	-	-	-	297,000	-	550,000	550,000
Total Financing Sources	-	-	43,634	357,883	2,000	604,000	602,000
Local Cost	-	-	3,068,516	6,726,646	7,882,668	7,262,652	(620,016)
Budgeted Staffing					47.0	48.0	1.0

Salaries and benefits of \$4,316,484 fund 48.0 positions and are increasing by \$454,549 primarily resulting from costs associated with negotiated labor agreements (underestimation in 2006-07 of hourly rates and benefits for various new positions), and fully funding the Economic Development Manager for Film/Tourism. In addition, the department has included two reclassification requests of vacant positions. The reclassification of an Office Assistant II to an Office Assistant III, at an increased cost of approximately \$3,700, is requested due to the problem the department has experienced trying to get qualified applicants. The reclassification of a Staff Analyst II to an Event Coordinator, at no increase in cost, is requested in order to correctly define the job description for the duties assigned to this position. Included in this appropriation is the approval of one policy item. This policy item added 1.0 Economic Analyst position to assist the Economic Development Agency in researching economic information, economic impact and trends, developing and overseeing economic studies, analyzing available economic information, and formulating trends and recommendations.

Services and supplies of \$6,964,637 represent most of the costs to support the economic development program. This includes costs for sponsorships/tradeshows, advertising, special events, public relations, international trade, film and tourism, and economic studies. The increase of \$1,309,943 is due to increased risk management, fleet



management, inflationary services and supplies, travel, vehicle charges, and printing services. Additionally, included in this appropriation is the approval of several policy items. One policy item replaced approximately \$1.1 million in 2006-07 one-time funds for the economic development program with ongoing funds in order to help sustain the program. The second policy item allocated \$37,000 to the department in order for it to act as the lead agency to develop, market, and administer the proposed San Bernardino Valley Enterprise Zone. A third policy item allocated an additional \$210,000 in order to continue the FanZone Title Sponsorship and the entitlement at the NASCAR Craftsman Truck Series event at the California Speedway. Finally, appropriation in the amount of \$550,000 was allocated to the department for economic development projects as identified by the Fourth District, and \$725,000 was carried over from 2006-07 one-time policy item funding for uncompleted economic development community projects by the First District.

Transfers of \$257,317 generally relate to rent charges paid to the Department of Workforce Development as well as the Department of Community Development and Housing.

Reimbursements of \$3,718,767 are from other departments primarily for business services provided by the Department of Economic Development staff and administrative costs provided by Economic Development Agency staff. Reimbursements saw a significant increase of \$1,884,264 due to administrative costs being underestimated in 2006-07. In addition, reimbursements increased from the Redevelopment Agency to cover a portion of the agreement with the California Speedway for the FanZone Sponsorship.

Revenue of \$604,000 increased by \$602,000 due to an additional \$2,000 anticipated in voucher processing fees, an additional \$50,000 in anticipated revenues from state of the county registration fees, which the Economic Development Agency now oversees, and \$550,000 in operating transfers in from the Department of Public Works for the economic development projects as identified by the Fourth District.



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage response to business requests for assistance within 24 hours of acknowledgment and 5 day first tier resolution.	New	95%	80%
Percentage of completed loan applications processed from submittal to close of escrow within 12 weeks. (The department originally estimated that it would process loan application within 10 weeks 80% of the time in 2007-08. Based on 2006-07 processing times, the department has readjusted the measure to a more reasonable 12 week time frame and projects that it can meet this time frame 50% of the time.)	New	New	50%
Percentage increase of number of job opportunities identified with San Bernardino businesses to better link job seeking clients. This will be obtained utilizing job seeking client information, including information provided by the Department of Workforce Development and the Transitional Assistance Department (24,103 jobs in 2005-06).	10%	44%	5%
Percentage increase of inquiries by businesses about locating in the county. (158 in 2006-07)	New	New	20%
Number of global partners established to commence networking for positive economic impact.	New	1	5
Percentage of identified businesses that are identified by the department to have potential in international trade who participate in county sponsored international forums and workshops (60 identified businesses).	New	New	25%
Number of international trade missions led by the department.	New	1	2
Percentage increase of editorials/articles (26 editorial/articles in 2005-06).	25%	25%	25%
Percentage increase of television/radio broadcast coverage (3 broadcasts estimated in 2005-06).	25%	25%	25%
Number of Economic studies overseen and developed by the Agency.	New	New	4
Percentage increase in leads from existing sponsorships. (This measure originally projected a 10% increase in leads from existing sponsorships in 2007-08. Due to a lack of sufficient data in 2006-07, a baseline for this measure will be established in 2007-08 instead.)	New	New	Establish Baseline
Number of website hits on the international trade services online directory and online event calendar	New	New	Establish Baseline
Enhanced database of film, video, and tourism assets to market.	New	New	Establish Baseline
Percentage of businesses within the enterprise zone attending the incentive workshops (current estimate of businesses within the Enterprise Zone is 2,400)	New	New	10%



COMMUNITY DEVELOPMENT AND HOUSING

David G. Dobson

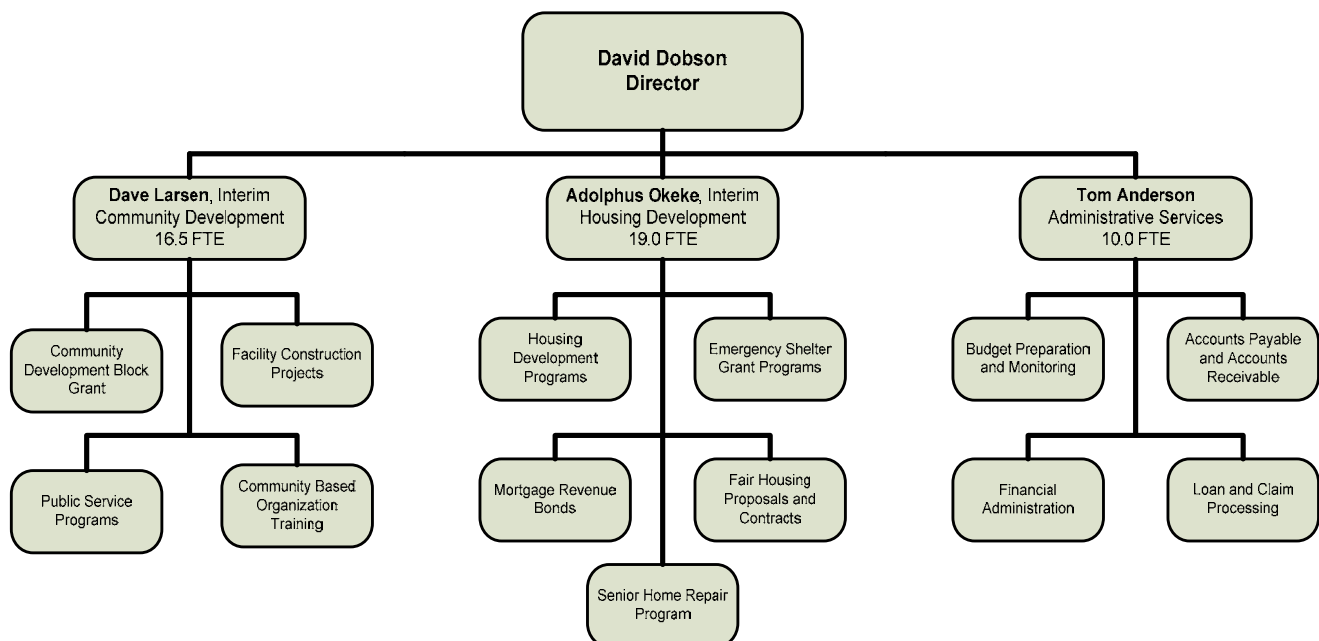
MISSION STATEMENT

The Department of Community Development and Housing (CDH) works to improve the quality of life of residents of the county through identifying, obtaining, and administering local, state, federal, and private funding resources available for community development and housing programs and projects.

STRATEGIC GOALS

1. Develop and coordinate the consolidated plan process for obtaining the Home Investment Partnership Act (HOME), the Emergency Shelter Grant (ESG), and the Community Development Block Grant (CDBG) entitlement grants to promote the well being of county residents.
2. Sub-grant CDBG and ESG funds to county departments, cooperating cities and non-profit agencies for programs and projects benefiting low- and moderate-income persons.
3. Prepare an annual performance report covering the consolidated plan grant programs for submittal to the Department of Housing and Urban Development (HUD) required to obtain grants to assist residents of the county.
4. Communicate useful and timely information to other agencies and to the general public to inform them about grant and loan resources available to meet community and housing needs.
5. Implement affordable housing programs for the construction of new housing, rehabilitation of existing housing and the provision of emergency shelter for homeless persons within the county.

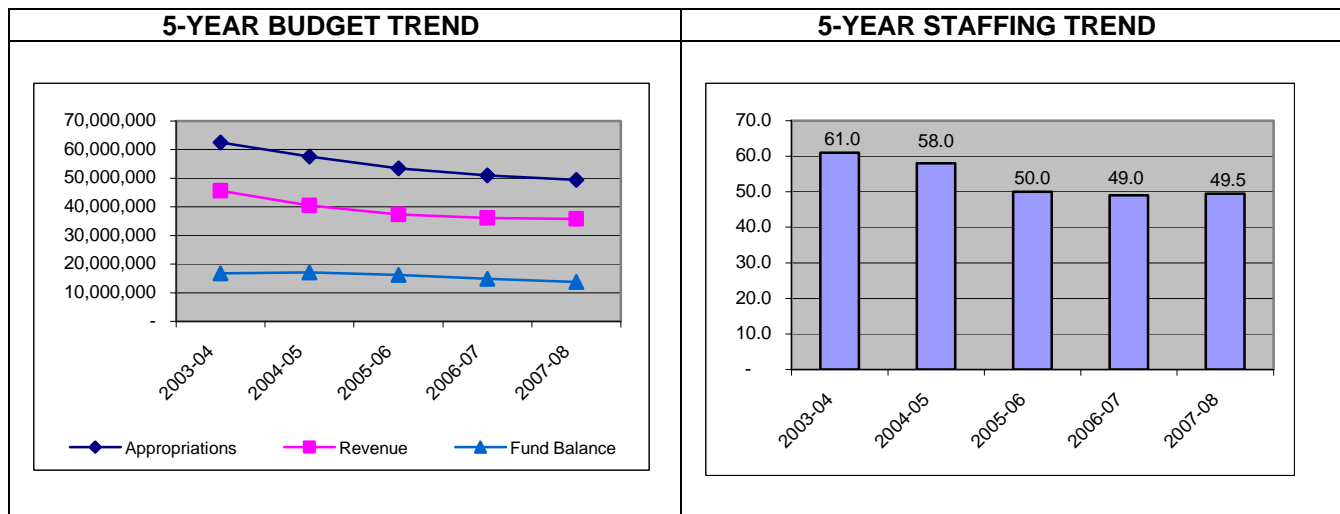
ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

The Department of Community Development and Housing is responsible for administering federal, state, and local grant funds allocated to the County of San Bernardino for housing and community development programs. Federal funds comprise a large percentage of the total monies included in the department's budget through the Community Development Block Grant, Emergency Shelter Grant, the Home Investment Partnership Act Grant, the Neighborhood Initiative Grant (NI) and the Economic Development Initiative Program (EDI) Grant. In addition, the department received a grant in 2006-07 from the State to reconstruct the water delivery system in Cedar Glen. The CDBG grant was maintained at its reduced level for 2007-08. During 2006-07, the Redevelopment Agency entered into a contract with CDH to assist with affordable housing in the Cedar Glen area and this assistance will continue through 2007-08.

BUDGET HISTORY



PERFORMANCE HISTORY

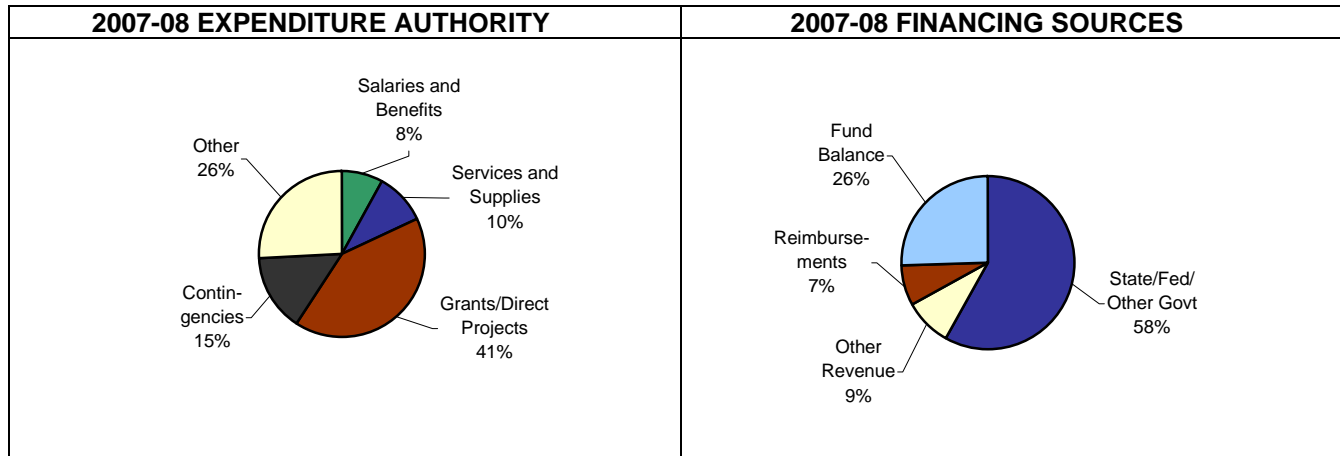
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	20,028,295	24,335,828	24,763,111	50,996,111	25,635,360
Departmental Revenue	20,274,741	22,338,993	23,440,212	36,120,085	22,825,734
Fund Balance				14,876,026	
Budgeted Staffing				49.0	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, expenditures in this fund are typically less than budget. Most of CDH's revenue is from federally funded grants that are for longer than one year, thus revenue is under realized for each individual fiscal year, but totally realized over the period of the grants. The unexpected and unrealized amounts in 2006-07 have been carried over to the subsequent year's budget.

The performance history for the CDH budget represents a slight increase in actual funding from 2003-04 through 2005-06, followed by a slight decrease in actual funding in 2006-07. Through 2005-06, the department continued to see increases in revenue despite annual decreases in CDBG, HOME, and ESG grants because there were carry-over funds from prior year grants as well as revenue remaining from other funding sources. Many of these funds have been expended in prior years or will be expended in 2006-07, resulting in the decrease in revenue in 2006-07.



ANALYSIS OF FINAL BUDGET



GROUP: Economic Development
DEPARTMENT: Community Development and Housing
FUND: Community Development and Housing

BUDGET UNIT: CDH Consolidated
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	3,551,394	3,780,253	3,634,300	3,441,243	4,058,175	4,233,661	175,486
Services and Supplies	1,621,860	1,408,385	1,444,425	1,578,342	3,909,595	5,314,939	1,405,344
Grants/Direct Projects	11,707,770	15,561,680	16,579,071	13,980,687	35,041,948	22,059,600	(12,982,348)
Central Computer	34,249	45,171	49,817	54,454	59,593	56,934	(2,659)
Equipment	-	-	39,463	24,972	-	-	-
Transfers	4,454,809	5,187,319	5,306,274	6,148,674	10,368,909	12,010,240	1,641,331
Contingencies	-	-	-	-	-	7,986,699	7,986,699
Total Exp Authority	21,370,082	25,982,808	27,053,350	25,228,372	53,438,220	51,662,073	(1,776,147)
Reimbursements	(2,291,133)	(3,080,866)	(3,484,053)	(3,311,338)	(3,780,334)	(3,964,701)	(184,367)
Total Appropriation	19,078,949	22,901,942	23,569,297	21,917,034	49,657,886	47,697,372	(1,960,514)
Operating Transfers Out	949,346	1,433,886	1,193,814	3,718,326	1,338,225	1,764,379	426,154
Total Requirements	20,028,295	24,335,828	24,763,111	25,635,360	50,996,111	49,461,751	(1,534,360)
Departmental Revenue							
Taxes	31,038	88,320	32,482	85,638	29,500	40,000	10,500
Fines and Forfeitures	6,897	4,060	3,274	4,668	3,300	3,000	(300)
Use of Money and Prop	646,167	688,908	730,660	1,067,055	650,878	757,500	106,622
State, Fed or Gov't Aid	13,907,410	16,545,488	17,579,128	15,487,219	30,754,350	31,066,026	311,676
Current Services	-	-	4,735	-	-	-	-
Other Revenue	5,682,429	5,012,217	5,085,564	6,181,154	4,682,057	3,894,789	(787,268)
Other Financing Sources	800	-	4,369	-	-	-	-
Total Revenue	20,274,741	22,338,993	23,440,212	22,825,734	36,120,085	35,761,315	(358,770)
Fund Balance					14,876,026	13,700,436	(1,175,590)
Budgeted Staffing					49.0	49.5	0.5

Salaries and benefits of \$4,233,661 fund 49.5 positions and are increasing by \$175,486 primarily resulting from a \$91,419 increase in workers' compensation charges, an \$8,252 increase for an additional Public Service Employee positions (0.5 FTE), and other costs associated with MOU and retirement adjustments.

Services and supplies of \$5,314,939 represent charges from the department's Inland Valley Development Agency (IVDA) fund for professional services including consultant services, legal services, and redevelopment projects as well as various other charges, such as general office expenses, costs for publications, and special departmental expenses. The overall increase of \$1,405,344 is primarily the result of inflation and an increase in the IVDA fund's professional services due to planned receipt of additional revenue and fund balance carried over from prior years.



Grants/direct projects of \$22,059,600 represent the bulk of CDH's expenses. These expenses generally consist of contracts with other governmental, nonprofit, or private businesses to provide community development and housing assistance for low and moderate income citizens of the County of San Bernardino. The decrease in grants and direct projects of \$12,982,348 is primarily caused by a change in accounting of unreserved fund balance to contingencies and the reduction of available grant funds in the Neighborhood Initiative Grant. This decrease was slightly offset by an increase in the other grants included in this budget.

Transfers of \$12,010,240 primarily represent intradepartmental transfers from CDH's grant funds to its administrative fund. It also represents transfers to other departments for services provided on behalf of CDH. This increase in transfers of \$1,641,331 over last year includes an increase of approximately \$700,000 in transfers out to other departments for Community Development Block Grant projects that are expected to be completed in 2007-08 and an increase in the administrative charges to most of the grant funds in the consolidated CDH budget.

Contingencies increased \$7,986,699 due to an accounting change requested by the County Administrative Office. In prior years, the department has budgeted their entire unreserved fund balance as appropriation for grants and direct projects. This inaccurately reflected the actual amount of expenditures the department would anticipate in a fiscal year for grants and direct projects. By moving these funds to contingencies, the department is providing a better representation of anticipated actual expenditures for grants and direct projects in 2007-08.

Reimbursements of \$3,964,701 represent intradepartmental reimbursements to the CDH administrative fund for staff charges. The increase of \$184,367 primarily represents an increase in administrative costs due to various salary and benefit increases within the department.

Operating transfers out of \$1,764,379 increased \$426,154 due to an increase in CDBG construction projects planned to be completed by the Architecture and Engineering Department in 2007-08.

Departmental revenue of \$35,761,315 generally represent grants received from the Department of Housing and Urban Development (HUD), which include the Community Development Block Grant, HOME grant funds, and the Emergency Shelter Grant. In 2007-08, the department anticipates receiving \$12,749,849 from HUD as well as \$3,100,000 from the State Department of Housing and Community Development for the Cedar Glen Water/Road Improvement Grant. The remaining \$19,911,466 in revenue primarily represents funding for previously approved federal grant projects that have not been completed. The department has seen a net decrease of \$358,770 that includes a decrease in other revenue due to receipt in 2006-07 of prior years' invoices in the Labor Compliance Program as well as decreases in funds received from housing loan payoffs.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Percentage of Emergency Shelter Grant (ESG) "Cold Weather Shelter Program" contracts with non-profit homeless service providers executed within 30 days of completion of RFP and projected start date of each project (14 ESG contracts entered into in 2006-07).	75%	100%	90%
Percentage of Community Development Block Grant (CDBG) project Environmental Review Records (ERR) approved by HUD within ninety (90) days of project approval (100 ERRs approved in 2006-07).	80%	88%	80%
Percentage of Project Implementation/Maintenance and Operation agreements entered within thirty (30) days of ERR completion (107 Project Implementation/Maintenance and Operation Agreements entered in 2006-07).	75%	87%	80%
Percentage of Public Service contracts executed within thirty (30) days of the projected start date of each program (116 CDBG Public Service contracts executed in 2006-07).	80%	91%	80%
Maintain the number of non-profit agencies, cities, and individual homeowners who receive the information they need in order to apply for CDBG, ESG, and HOME funds.	New	200 agencies, 13 cities, 400 households	200 agencies, 13 cities, 400 households
The number of housing units constructed or rehabilitated.	200	283	200
The number of low-income families or disabled persons who receive rental housing security deposit and utility payment assistance.	200	186	200
The number of low-and moderate-income homeowners who receive loans or grants.	270	283	250
The number of families who succeed in buying their home.	25	29	20
The number of emergency shelter nights provided to homeless persons.	23,900	25,509	24,000
The number of housing projects planned for construction.	New	0	2
The number of home owners who will receive financial assistance to rebuild their homes that were lost in the 2003 "Old Fire" disaster.	New	11	10
Percentage of time the following activities will be completed within the designated time frame: - CDH completion of initial review of eligible land use services grant applications within thirty (30) days of receipt and completion of reimbursements within three (3) months of receipt of claims and approved back up information.	New	100%	100%
Percentage of time the following activities will be completed within the designated time frame: - CDH completion of initial review of eligible Home Rehabilitation Program applications within thirty (30) days of receipt. - Rehabilitation activities completed within 9-12 months of application approval.	New	95%	100%



WORKFORCE DEVELOPMENT

Sandy Harmsen

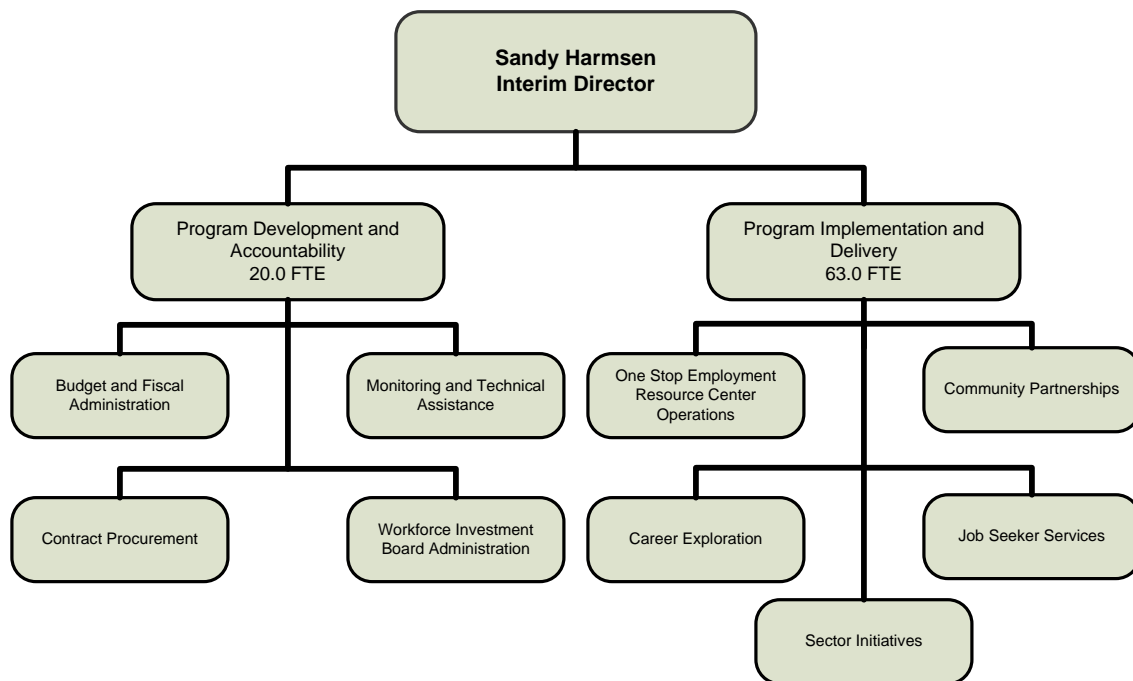
MISSION STATEMENT

The Department of Workforce Development provides comprehensive employment, training and support services in accordance with the Department of Labor Workforce Investment Act (WIA). Services provided are in response to the needs of job seekers, businesses and communities within the County of San Bernardino and are complementary to the strategic plan established by the Economic Development Agency (EDA).

STRATEGIC GOALS

1. Meet or exceed all WIA enrollment and performance standards negotiated with the State for customers in Adult, Dislocated Worker and Youth services to increase the quality of life for San Bernardino County's workforce.
2. Continue media relation efforts and launch marketing materials in conjunction with EDA to promote the quality of life for San Bernardino County residents.
3. Align workforce development, economic development, education and funding strategies to enhance the competitiveness of San Bernardino County's workforce to support positive economic growth and ensure public well being.

ORGANIZATIONAL CHART

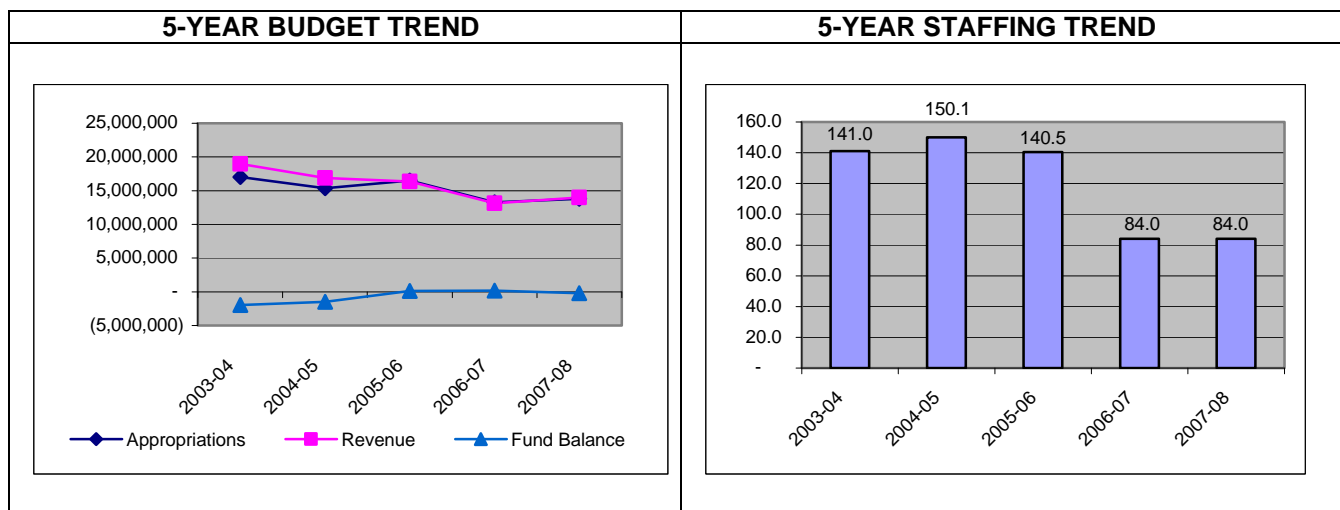


DESCRIPTION OF MAJOR SERVICES

The Department of Workforce Development (WDD) provides holistic services to job seekers, incumbent workers, entrepreneurs and employers. WDD is responsible for administering and operating programs under the Department of Labor's (DOL) Workforce Investment Act. Program funding is allocated at the federal level and comes to the county from the State Employment Development Department-Workforce Investment Division. Through this funding stream, services are delivered to job seekers and businesses throughout the county via the department's Employment Resource Centers. These offices are strategically placed in three of the county's economic regions.

The Workforce Investment Board administratively oversees the programs offered through the department. This Board is comprised of private business representatives and public sector partners who have been appointed by the County Board of Supervisors. The department supports the mission of the county through its provision of services to businesses and job seekers. Understanding that increased employment opportunities enhance the quality of life for residents, the department strives to ensure that the needs of local businesses are met by providing them with a skilled workforce.

BUDGET HISTORY



The trend for the WDD budget is a steady decrease in funding from 2003-04 through 2006-07. The decline in revenue is a reflection of two distinct impacts. First, primary WIA funds such as Adult, Dislocated Worker, and Youth grants have experienced declining allocations from DOL to the State of California. Second, specialty grants such as the National Emergency Base Realignment and Closure and Katrina Emergency Initiative grants were multi-year funded and have expired during this period.

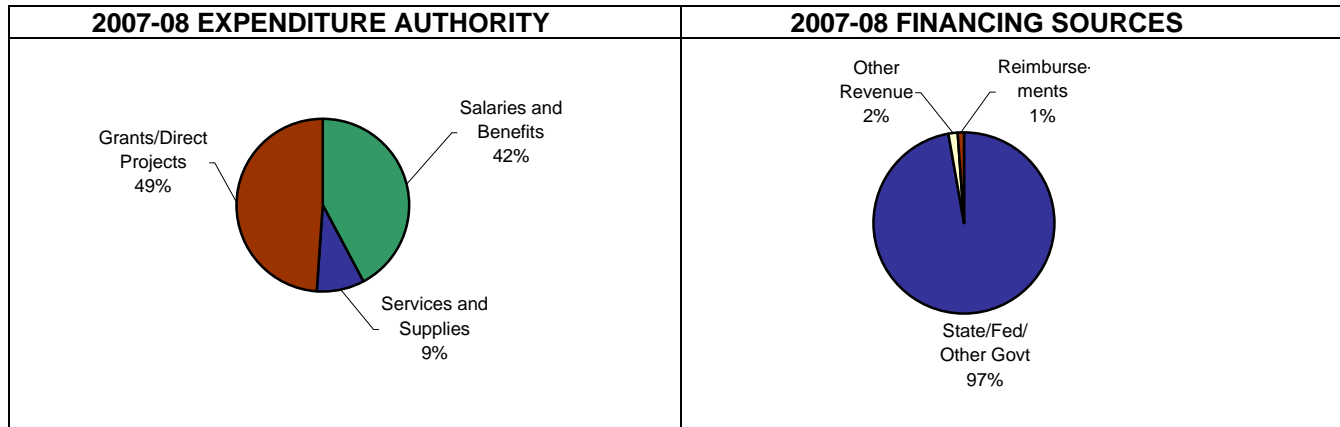
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	14,140,555	12,860,640	12,586,217	13,277,810	11,873,041
Departmental Revenue	14,450,588	13,484,794	12,611,371	13,116,429	11,499,821
Fund Balance				161,381	
Budgeted Staffing				84.0	

Actual appropriation vary from the budget due to the requirement, in accordance with Section 29009 of the State Government Code, that total allocations must be budgeted in the year allocated; however, actual revenue received is the result of reimbursement for actual expenses incurred. In addition, actual expenditures exceeded revenue as a result of year-end non-cash expenditure encumbrances of approximately \$300,000. This revenue will be recognized when the expenditure is paid.



ANALYSIS OF FINAL BUDGET



GROUP: Economic Development
DEPARTMENT: Workforce Development
FUND: Workforce Development

BUDGET UNIT: SAC JOB
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	7,388,602	7,515,569	6,383,851	5,016,039	5,732,270	5,863,088	130,818
Services and Supplies	1,092,097	1,285,974	1,057,202	1,355,473	1,127,287	1,161,943	34,656
Central Computer	99,385	104,199	94,502	93,979	111,841	88,405	(23,436)
Grants/Direct Projects	8,413,237	4,105,869	4,096,217	3,357,642	4,578,825	4,450,301	(128,524)
Equipment	-	50,000	-	51,997	-	13,000	13,000
Transfers	1,931,358	1,680,788	1,588,459	2,193,444	1,887,187	2,343,047	455,860
Total Exp Authority	18,924,679	14,742,399	13,220,231	12,068,574	13,437,410	13,919,784	482,374
Reimbursements	(4,784,124)	(1,881,759)	(634,014)	(195,533)	(159,600)	(145,307)	14,293
Total Appropriation	14,140,555	12,860,640	12,586,217	11,873,041	13,277,810	13,774,477	496,667
Departmental Revenue							
Use of Money and Prop	219,815	188,971	218,399	210,694	213,400	262,464	49,064
State, Fed or Gov't Aid	14,229,748	13,293,760	12,389,553	11,276,100	12,903,029	13,721,744	818,715
Current Services	970	-	2,305	-	-	-	-
Other Revenue	55	2,063	1,114	13,027	-	-	-
Total Revenue	14,450,588	13,484,794	12,611,371	11,499,821	13,116,429	13,984,208	867,779
Fund Balance					161,381	(209,731)	(371,112)
Budgeted Staffing					84.0	84.0	-

Salaries and benefits of \$5,863,088 fund 84.0 positions and are increasing by \$130,818. Although the department's staffing level remained stable, the department made minor adjustments to staffing by deleting 4.0 vacant budgeted positions and adding 4.0 positions to the budget. 1.0 Manpower Specialist III was deleted because it is no longer an active county job classification. It was replaced with 1.0 Staff Analyst I, a classification equal in pay range and job duties. 1.0 Employment Services Technician was deleted and 1.0 Employment Services Specialist was added to enable WDD to increase the number of training workshops it conducts for customers. 1.0 Supervising Employment Services Specialist was deleted and 1.0 Supervising Accounting Technician was added in order to enhance fiscal support for the department's customers and offices. Two part time positions, a Fiscal Assistant (0.5 FTE) and an Office Assistant II (0.5 FTE), were deleted and 1.0 Staff Analyst I was added to enable WDD to provide department support for new collaborative projects. These position changes resulted in a total increase of \$24,139. Other increases were a result of increases in costs associated with MOU, retirement, and risk management. The total increase was partially offset by decreased workers' compensation costs for the department and direct salary reimbursements by the Sheriff's Department for 2.0 Employment Services Specialists.



Services and supplies of \$1,161,943 represent general office supplies, computer software and computer hardware, equipment, training, professional services, utilities and outreach events. In addition to inflationary costs, the increase of \$34,656 was a result of adjustments that were made in the office supplies, training and computer hardware replacement line items that were significantly under-budgeted in 2006-07 due to a potential reduction in revenue that was not realized.

Grants/direct projects of \$4,450,301 represent payments to vocational and educational schools for training WIA participants, supportive services for WIA participants, customized training, and reimbursement of training costs incurred by employers at the Southern California Logistics Airport under a special grant. The decrease to grants/direct projects of \$128,524 was the result of an increase in the department's transfers, which allows for increased funding of business services.

Transfers of \$2,343,047 represent payments to other departments including costs associated with Economic Development Agency (EDA) administration, EDA marketing, EDA information technology, business services provided by the Department of Economic Development and rent. The increase to transfers of \$455,860 was primarily the result of an increase for business services provided to WDD by the Department of Economic Development and an increase in costs associated with EDA support.

Reimbursements of \$145,307 represent rent received from the Department of Economic Development. The decrease in reimbursements of \$14,293 is due to less WDD charges for rent.

Revenues of \$13,984,208 represent funding from various state grants. The department anticipates receiving 2007-08 allocations under the Workforce Investment Act (WIA) for Title I Youth, Title I Adult, Title I Dislocated Workers and Rapid Response, discretionary funds for special projects, grants from the California Employment Training Panel (ETP), and rent from the California Employment Development Department (EDD) for space it occupies in the Rancho Employment Resource Center. The department also anticipates carrying over grant funds allocated and budgeted in 2006-07. The increase to revenues of \$867,779 is associated primarily with new discretionary grants, the ETP grant and an increase in EDD rent. The anticipated increase is also associated with the department's negative fund balance. The negative fund balance is the result of 2006-07 year-end expenditure encumbrances in which revenue only becomes recognized once the expenditure is actually paid.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual*	2007-08 Projected
Percentage of enrolled adults exiting the program who have entered employment (675 estimated).	74%	75%	74%
Percentage of enrolled adults exiting the program who have retained employment (480 estimated).	82%	86%	82%
Percentage of enrolled dislocated workers exiting the program who have entered employment (215 estimated).	82%	78%	82%
Percentage of enrolled dislocated workers exiting the program who have retained employment (170 estimated).	88%	89%	88%
Percentage of enrolled older youth exiting the program who have entered employment (255 estimated).	79%	83%	79%
Percentage of enrolled older youth exiting the program who have retained employment (198 estimated).	82%	81%	82%
Percentage of enrolled younger youth exiting the program who have attained skill-related training certificates (172 estimated).	88%	95%	88%
Percentage of enrolled younger youth exiting the program who have attained a high school diploma or GED (20 estimated).	67%	68%	67%
Percentage of enrolled younger youth exiting the program who remained in school or retained employment (172 estimated).	76%	70%	76%
Maintain number of customers receiving marketing materials.	25,000	25,000	25000
Increase number of regular meetings of stakeholders for the purpose of aligning strategies, policies, networks, funding sources and training services to meet the workforce demands of local businesses.	2 Events per year	2 Events per year	4 Events per year
Number of new funding sources available for demand-driven training services to include sources other than Department of Labor funding.	1 New Source	1 New Source	2 New Sources
Increase the number of industry-specific/demand-driven training programs.	3 Programs	4 Programs	4 Programs



San Bernardino Valley Enterprise Zone

DESCRIPTION OF MAJOR SERVICES

On August 22, 2006 (Item 50), the Board of Supervisors approved a Memorandum of Understanding with the City of Colton, City of San Bernardino, and the Inland Valley Development Agency to fund, manage, and describe the jurisdictional responsibilities of the San Bernardino Valley Enterprise Zone (SBVEZ). The SBVEZ is a state designated geographical area that offers local businesses state tax incentives in order to stimulate economic growth in the economically distressed areas of the City of San Bernardino, the City of Colton, and the county. The SBVEZ facilitates economic growth through assistance to local businesses, jurisdictional leadership, public/private collaborations, attraction of new investment, the retention/expansion of existing businesses, and the employment of the most difficult-to-hire workers into private sector jobs. The 2007-08 budget is predicated by the final designation of the Enterprise Zone by the California Department of Housing and Community Development.

Major services to be offered to SBVEZ businesses include the following:

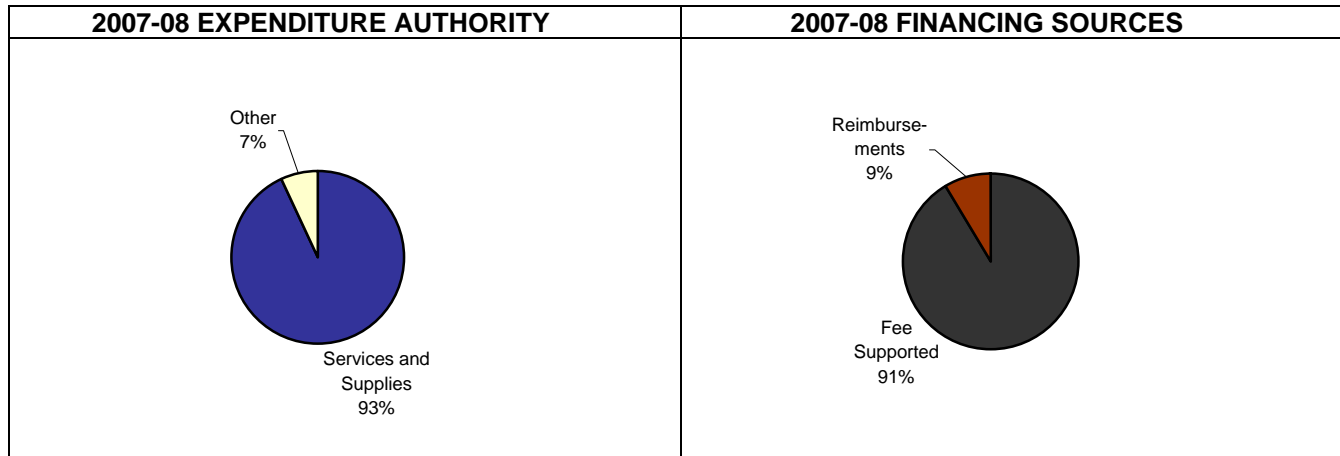
- Educational workshops for businesses to understand and take advantage of state tax credits.
- Job placement assistance for difficult-to-hire workers.
- Job training programs through the county's Workforce Investment Board in partnership with the cities.
- Assistance in accessing state contracts.
- Pre-qualification of unemployed workers as potential employees, which would qualify the business to claim the state's hiring tax credit.
- Site selection for new and expanding businesses.

These services are offered through the Department of Economic Development, the Department of Workforce Development, and in collaboration with the cities of Colton and San Bernardino.

This is a newly established budget unit in 2007-08 and therefore no history is available.

There is no staffing associated with this budget unit.

ANALYSIS OF FINAL BUDGET



GROUP: Economic Development
DEPARTMENT: Economic Development
FUND: San Bernardino Valley Enterprise Zone

BUDGET UNIT: SYZ EDF
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
<u>Appropriation</u>							
Services and Supplies	-	-	-	-	-	398,500	398,500
Transfers	-	-	-	-	-	30,000	30,000
Total Exp Authority	-	-	-	-	-	428,500	428,500
Reimbursements	-	-	-	-	-	(37,088)	(37,088)
Total Appropriation	-	-	-	-	-	391,412	391,412
<u>Departmental Revenue</u>							
Current Services	-	-	-	-	-	391,412	391,412
Total Revenue	-	-	-	-	-	391,412	391,412
Fund Balance	-	-	-	-	-	-	-

Services and supplies of \$398,500 represent costs for an Environmental Impact Report, marketing, professional services, professional memberships, trade show attendance, advertising, website development, auditing, County Counsel services, mapping and travel.

Transfers of \$30,000 represent the cost for the Zone Manager incurred by the Department of Economic Development.

Each partner in the SBVEZ has been authorized by its legislative body to contribute funds to cover the administrative costs of the Enterprise Zone. Partner amounts are based on a fair share percentage of area within the SBVEZ that is covered by that jurisdiction. The county's portion of administrative costs for the 2007-08 budget is \$37,088 and is shown as a reimbursement.

Revenue of \$391,412 represents amounts to be received from the Inland Valley Development Agency, the City of San Bernardino, and the City of Colton to cover administrative costs.



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Actual	2007-08 Projected
Number of business workshops held to assist businesses to take advantage of State incentives.	New	New	4
Total number of businesses present at all workshops.	New	New	250
Number of businesses in the SBVEZ visited by county job developers.	New	New	150
Number of State hiring credits (vouchers) issued.	New	New	500



